MONTANA

DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT

FOR STATE FISCAL YEAR 2010
(JULY 1, 2009THROUGH JUNE 30, 2010)

Prepared by

Montana Department of Environmental Quality
and
Department of Natural Resources and Conservation

for
EPA Region VIII
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DRINKING WATER STATE REVOLVING FUND (DWSRF)
ANNUAL REPORT
STATE FISCAL YEAR (SFY) 2010

TABLE OF CONTENTS

I. INTRODUCTION 5

II. EXECUTIVE SUMMARY SFY10 5

III. GOALS OF THE DWSRF 6

LONG-TERM GOALS 6
SHORT-TERM GOALS 6

IV. FINANCIAL REPORTS 10

V. DETAILS OF DWSRF ACTIVITY 10

A. **LOAN ASSISTANCE** 10
PROJECT BYPASS 10
DISADVANTAGED COMMUNITIES 12
SMALL SYSTEMS 12
B. **FIRST-ROUND FUNDED LOANS**: 14
C. **RECYCLED FUNDED LOANS:** 14
D. **SOURCE OF FUNDS**: 14
E. **FEDERAL FUNDS DRAWN BY THE PROGRAM**: 14
F. **SET – ASIDES** 15
DWSRF Administration 15
Small Systems Technical Assistance 15
Public Water Supply Supervision Set-Aside: Administration 15
PWSS Source Water Protection (SWP) 16
Capacity Development 17
PWSS Operator Certification 17
Local Assistance and Other State Programs - Source Water Delineation and Assessment and Wellhead Protection 18

VI. GRANT CONDITIONS AND CERTIFICATIONS 19

VII. CURRENT STATUS AND FUTURE ACTIVITIES 21

VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS 22

EXHIBITS

EXHIBIT 1: SOURCES OF DWSRF FUNDS THROUGH SFY 10 24
EXHIBIT 2: DWSRF BINDING COMMITMENTS EXECUTED SFY 10 25
EXHIBIT 3: DWSRF CAPITALIZED GRANT CLOSED LOANS FOR SFY 10 28

EXHIBIT 3A: DWSRF ARRA GRANT CLOSED LOANS FOR SFY 10.....29
EXHIBIT 4: DWSRF RECYCLED CLOSED LOANS FOR SFY 10.....31
EXHIBIT 5: HISTORY OF DWSRF BINDING COMMITMENTS.....32
EXHIBIT 6: DWSRF PROJECTED BINDING COMMITMENTS FOR SFY 11.....34
EXHIBIT 7: AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS.....35
EXHIBIT 7A TRANSFER OF FUNDS BETWEEN SRF AND WRF.....36
EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 10.37
EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10.....41
EXHIBIT 10: SET ASIDES 1 TO 1 MATCH FUNDING SUMMARY.....49
EXHIBIT 11: DWSRF LOANS: MBE/WBE FOR CONTRACTS AWARDED DURING SFY 10.....50

APPENDICES

Appendix A: SFY10 Cash Flow Model..... A-1
Appendix B: SFY10 Financial Statements Unaudited with Footnotes B-1
Appendix C: SFY10 Intended Use Plan.....C-1
Appendix D: Intended Use Plan for American Recovery and Reinvestment Act of 2009…….D-1
Appendix E: Map of Projects & List.....E-1

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I. INTRODUCTION

This Annual report adheres to the Operating Agreement negotiated between the State of Montana and the Environmental Protection Agency (EPA) concerning the administration of the Drinking Water State Revolving Fund (DWSRF). The annual report summarizes DWSRF activities for the state fiscal period beginning July 1, 2009 and ending June 30, 2010 (SFY10).

The DWSRF program was established as a result of the 1996 Amendments to the Federal Safe Drinking Water Act, which provided the authority for EPA to make capitalization grants to states. The grants, in conjunction with state matching funds, are used to provide financial assistance for the construction of drinking water projects and to support administration of the state program.

In anticipation of the 1996 Amendments to the Federal Act, the 1995 State Legislature, under Title 75, Chapter 6, Part 2, Montana Code Annotated, passed the enabling legislation, entitled the Safe Drinking Water Treatment Revolving Fund Act, giving authority to the Montana Department of Environmental Quality (DEQ) and the Department of Natural Resources and Conservation (DNRC) to adopt administrative rules to implement the program. Legislation also provided the ability to generate state matching funds, through the sale of state General Obligation Bonds (GO Bond Authority). Amendments to the Drinking Water State Revolving Fund Act were passed in the 1997, 1999, 2001, 2003, and 2005 Legislative Sessions. The 1997 amendments changed the title of the Act from "Safe Drinking Water Treatment Revolving Fund Act" to the "Drinking Water State Revolving Fund Act" and also made other changes consistent with the Federal Act. During the 1999 Legislative Session, the 1999 amendment clarified the transfer language between the DWSRF and Water Pollution Control State Revolving Fund (WPCSRF) Programs and added GO Bond Authority. The 2001 Amendment authorized the program to advance funds to projects funded, in part, by the federal government when federal funding has been approved but not appropriated. This provides interim financing until those federal funds become available. The 2003 Amendment increased GO Bonding Authority by $10 million, raising the total to $30 million. The 2005 amendment authorized the issuing of Revenue or Grant Anticipation Notes and authorized limited principal forgiveness to disadvantaged communities.

II. EXECUTIVE SUMMARY SFY10

During SFY10 Montana applied for the FFY10 capitalization grant. This grant was awarded June 18, 2010.

Since the inception of the DWSRF, Montana has issued six GO bonds, one Bond Anticipation Note (BAN) and two Revenue Anticipation Notes (RAN). These proceeds have been used as state match for loans, set asides, and program administration. Montana issued its first GO bond in October 1998 (SFY99), the second GO Bond in April 2000 (SFY00), the third GO bond in June 2001 (SFY01), the fourth GO Bond in June 2003 (SFY03); the fifth GO Bond in May 2005 (SFY05), and it's sixth GO bond in May, 2010 (SFY10). The total amount of bonds, BANs, and RANs issued to date is $20,595,000, with other state funds generated, match is $27,893,826. A summary of these bond issues is provided in Exhibit 1. Montana is planning for its seventh GO Bond later in calendar year 2011.

Exhibit 1, Sources of DWSRF Funds through SFY10, provides a complete tabulation of capitalization grant awards received through June 30, 2010, projected state match, binding commitments for loan projects through SFY10, and GO bonds, BANs, and RANs, and other state match issued for total state match. The combination of capitalization grants and bond proceeds provided the needed funds for DWSRF projects, set asides, and program administration during SFY10. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of $-0- for SFY10.

During SFY10, the DWSRF program executed 36 project binding commitment agreements totaling $25,108,111 and increased one ARRA commitment by $275,000 with total commitment of funds of $25,383,111 for the period. For a detailed breakdown of all DWSRF binding commitments signed and key dates of project activity that occurred in SFY10, refer to Exhibit 2: DWSRF SFY10 Binding Commitments Executed. See Exhibit 3 and 4 for the closed loans.

Detailed information concerning use of DWSRF funds, accomplishments of the program and adherence with the stated goals of the program are provided on the following pages.

III. GOALS OF THE DWSRF

The following information describes the goals of DWSRF program as identified in the SFY10 Intended Use Plan, and how these goals were achieved by the activities performed by DNRC and DEQ personnel throughout the course of the year.

Long-Term Goals

1. To continue building and maintaining a permanent, self-sustaining state revolving fund program that will serve as a cost-effective, convenient source of financing for drinking water projects in Montana.

   Projects funded during SFY10 met all program requirements governing financial capability to assume debt. Seven of seventy loans received an interest rate of 3.75% on their loans (well below market rates) and three of the seventy qualified for an interest rate of 2.75% under the disadvantaged community criteria or interim financing. Also, under the ARRA funding, nine projects (16 loans) received principal forgiveness on one loan and seven of those projects received an interest rate of 1.75% on the other loan. In addition, under the ARRA funding, 22 projects (44 loans) received an interest rate of 0.75% under the disadvantaged community criteria on one loan, and received principal forgiveness on the other loan. These factors illustrate that the assistance is affordable. Refer to Exhibit 3 & 4. A copy of the cash flow with all the activity through SFY10 is included in this report as Appendix A.

2. To provide a financing and technical assistance program to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana's public drinking water.

   To promote the availability of these DWSRF program services during SFY10, DWSRF staff presented information at a variety of events. This included six infrastructure workshops and the annual Montana Rural Water Systems conference, as well as meeting one on one with community leaders.

   Please also refer to the project descriptions and discussion of set-asides provided in Section V: Details of DWSRF Activity.

Short-Term Goals

1. Continue implementation and maintain the Drinking Water State Revolving Fund Program in Montana.

Since the approval of its DWSRF loan program and first capitalization grant award, Montana has been awarded twelve more capitalization grants, issued matching GO bonds, BANs, and RANs, utilized the provision to transfer funds between the WPCSRF and DWSRF, and generated other revenue from loan repayments and interest investments. The number of closed loans through June 30, 2010 now totals over $163,741,026. Please see Appendix E project list and location map.

2. To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection Byproducts, Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules, Montana anticipated funding at least three projects to address water treatment in SFY10.

   The anticipated projects for water treatment listed in the SFY10 IUP were for Essex WSD, the City of Laurel's next phase, and Gore Hill WSD. Essex is under construction and closed it's loans utilizing ARRA funding. The City of Laurel project was completed. The Gore Hill WSD Project includes arsenic treatment and is expected to begin construction in the fall, 2010. Two other loans were closed in SFY10 with the Town of Kevin and the Town of Chester.

3. To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expected to fund three consolidation projects in SFY10.

   Only one consolidation project loan was closed during SFY10 for the Upper/Lower River Road Water and Sewer District (Cascade Co).Two regional water systems continued work on the next phases of their projects, but did not utilize SRF funding.

4. To fund projects that address replacement of aging infrastructure. Montana anticipated funding at least eleven projects of this type in SFY10.

   Twenty eight new projects were funded in SFY10 to replace aging infrastructure. Many of these projects utilized ARRA funding. These projects were Belgrade, Billings, Black Eagle WSD, Butte, Columbus, Cut Bank, Elk Meadows WD, Emkayan WSD, Fort Benton, Glendive, Great Falls, Havre, Helena, Jette Meadows WSD, Lewis & Clark Co., Manhattan, Miles City, Missoula Co.-Lewis & Clark Subdivision, Missoula-Mountain Water Company, Pablo WSD, Polson, Seeley Lake WD, Three Forks, Troy, University of Montana, Virginia City, Whitefish, and Wilderness Plateau WSD.

5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. Three refinancing loans were expected in SFY10.

   Only one loan was closed in SFY10 to refinance debt previously incurred by the City of Laurel to construct their water system improvements. However, several loans are anticipated in SFY11 for this purpose.

6. Ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.

   The trained technical staff of the Planning, Prevention, and Assistance Division (PPAD) continues to use the DWSRF Handbook of Procedures and knowledge gained from many years of operating both SRF Programs to ensure that this objective is met. The Handbook of Procedures is used as a guide to ensure that all state and federal laws governing the technical aspects of each project are satisfied.

   Steps were taken to update the Handbook of Procedures and streamline checklists and processes. A final revised edition was submitted to EPA in September 2001. This project was completed in early SFY02. It was again reviewed and updated during SFY06. Another review is tentatively planned in SFY11.

Staff attends training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY10, Anna Miller, Pam Smith, Janice Yearry, Tricia Schiltz, Diana Hoy, Mo Leo, Bob Fischer, and Mark Smith attended the Council of Infrastructure Financing Authorities (CIFA) National Workshop; Anna Miller, Diana Hoy, Janice Yearry, Bob Fischer, Robert Ashton, Marc Golz and Mark Smith attended the Montana Rural Water Systems Conference; Gary Wiens, Robert Ashton, Marc Golz and Mark Smith attended the Montana AWWA Conference; Anna Miller and Mark Smith attended the CIFA Legislative Conference.

7. To provide outreach to communities and utilize the set-aside funding by:

   a. providing technical assistance to water suppliers who request help with their system operation and maintenance procedures.

   b. providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help.

   c. assisting communities with the next phase of implementation of their Sourcewater/Wellhead Protection Plans.

   d. emphasizing that Public Water Supply Program (PWSP) staff perform sanitary surveys; facilitate SDWA compliance of the Long Term 2 Enhanced Surface Water Treatment, Stage 2 Disinfectant/Disinfection By-Products, Groundwater, and Arsenic Rules.

   e. ensuring that 95 % or more of the state's community and non-transient non-community water systems continue to have certified operators.

   Please see discussion of individual set-aside activities and accomplishments beginning on page 13.

8. Ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.

   See Appendix A: Cash Flow Model SFY10.

9. Ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.

   To the best of our knowledge, the DWSRF program has ensured Public Water Supply Supervision (PWSS) compliance through the projects that have been funded and the various set-aside activities. Close coordination with the PWSS program has been essential in this effort.

   The only exception is the project for the City of Boulder, which was funded in SFY 2000. The community historically had copper exceedances and was out of compliance with the Lead and Copper Rule. Extensive distribution system replacement was intended to mitigate the problem. Additional evaluation and corrective action have been performed. The City hired an engineer, who prepared a Preliminary Engineering Report (PER), and designed treatment processes and equipment for the system. Construction was completed in March 2010, and the town has completed 1 of 2 six month monitoring periods required to resolve the action level exceedance.

   Montana's DWSRF program also had the following additional short term goals with respect to the American Recovery and Reinvestment Act of 2009 (ARRA). The numbers correspond to the goal listed in that IUP.

1. Provide approximately thirty two new loans under the Act for eligible municipal drinking water construction projects or other green technology projects.

   Montana funded thirty one drinking water projects utilizing the ARRA funding during SFY 2010.

2. Consistent with the requirements of the Act, provide financial assistance in the form of low interest loans with approximately 55% of the principal to be forgiven on each loan.

   All projects received approximately 55% principal forgiveness, and as previously stated, received an interest rate of either 1.75% or 0.75% on the balance of their loan.

3. Consistent with the intent of the Act, promote expeditious use of the funds made available under the Act by prioritizing those projects that will clearly initiate construction by June 17, 2009. Other qualifying projects that are clearly ready to proceed to construction by February 2010, as determined by DWSRF staff, will also be considered as eligible projects.

   Montana achieved this goal by having all funds obligated, and all projects under construction, by the February 17, 2010 deadline.

4. Promote the implementation of energy and water conservation and green technology by funding at least $3.9 million (20%) of projects or project elements that meet the intent of this requirement of the Act.

   Eighteen of the thirty two total projects (SFY 2009 and 2010) satisfied the green project criteria under the water conservation category, for a total dollar amount of $9,856,400. This amount is 49% of the total ARRA grant amount of $19,500,000, which well exceeds the 20% required by EPA. Montana had the highest percentage of green projects in the country.

5. Simplify the administrative and regulatory requirements of the program, without sacrificing project quality, to make the financial assistance readily accessible; coordinate on a regular basis with DNRC and financial consultants to consider ways to improve the program and optimize use of resources.

   As mentioned in no. 3 above, all funds were committed and projects were under construction before the February, 2010 deadline, despite several additional ARRA requirements and very tight timeframes.

6. Apply for all available appropriated federal funds contingent upon federal legislation.

   Montana received it's full ARRA grant award, and was preparing to apply for any unused funds by other states that would possibly be reallotted. However, all states met the February, 2010 deadline and therefore did not turn any funds back to EPA for further reallotment.

IV. FINANCIAL REPORTS

The Montana Legislative Audit Division (LAD) has completed their audit work for SFY09. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements. A copy of the report was submitted to EPA Region VIII.

DEQ and DNRC engaged LAD to audit the State Revolving Fund financial activity beginning in SFY98. This decision was based on a new audit requirement conveyed in a directive from the Office of Water, Inspector General's Office, and the Office of Management and Budget.

The SFY10 un-audited financial statements, including footnotes are included as Appendix B. The SFY10 audit should be complete by May 2011.

V. DETAILS OF DWSRF ACTIVITY

A. LOAN ASSISTANCE

During SFY10 the DWSRF program closed seventy loans; sixty of which consisted of ARRA funding, and signed 36 project binding commitment agreements, and increased one ARRA commitment. Sixty nine new projects initiated construction, one was refinanced, and forty eight projects were completed. The rate of construction with respect to fund disbursements at fiscal year end was approximately 92% ($151.2M in disbursements and $163.7M in loans). The overall fund utilization rate is approximately 96% ($163.7M in loans, $170.3M in available funds. Re. EPA).

Project Bypass

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the Drinking Water SRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher ranked projects, it should follow the bypass procedure.

Montana bypassed 109 projects on its Priority List with the funding of the Seeley Lake WD, ranked 143. Thirty three other communities closed loans. The higher ranked projects were not ready to proceed at the time, or perhaps were being financed by other funding entities. They were by-passed to fund lower ranked projects that were ready to proceed with construction, or that had already been constructed and desired refinancing to improve financial capacity. Refer to Exhibit 3: DWSRF Capitalized Grant Closed Loans For SFY10, Exhibit 3A DWSRF ARRA Grant Closed Loans For SFY10 and Exhibit 4: DWSRF Recycled Closed Loans For SFY10. Notification was sent to all by-passed communities that described the proposed projects to be funded, and also included the assurance that funds were still available for all loan applications anticipated at that time. No responses were received. No emergency projects were funded in SFY10. The status of top individual projects on the priority list that were bypassed is discussed below.

1. Carter-Choteau Co. WSD. The community applied for and received alternative state and federal grant funding, including Rural Development (RD). The original project has completed construction. To date, no other application or other information has been submitted to the SRF Program. It needs to be removed from the Priority List.

2. Hill County WD. System has agreed to a compliance schedule with DEQ Enforcement Division, which includes developing another surface water source. An SRF loan for these improvements was closed in SFY08 and they were also awarded a STAG grant. The project consisted of improvements to an alternate

water source, which has been completed and placed in service. The district also plans to join the North Central/Rocky Boys Regional Water System when it is constructed in the future. This project can be removed from the Priority List.

3. Eastview Acres HOA. Status of project unknown.

4. South Chester WD. System has been negotiating compliance schedule with DEQ Public Water Supply Program. They are exploring alternative grant funding and have received some, but more funds are needed. They are also planning to join the North Central/Rocky Boys Regional Water System when it is constructed in the future.

5. Town of Kevin. The community did receive ARRA funding for their project, and started construction in SFY10.

6. Upper/Lower River Road WSD. Phase III improvements were funded with ARRA funds and started construction in SFY10.

7. Crow Tribe. The system is also seeking alternative grant funding sources.

8. Piegan Border Station. Status of project unknown.

9. Essex. System has been negotiating compliance schedule with DEQ Public Water Supply Program. They have received ARRA funding and construction began in SFY10.

10. Town of Eureka. The community has had preliminary discussions with DWSRF personnel about funding in the last year, however, the current status of the project is unknown.

11. Gore Hill WD. The system has completed design and is expected to start construction and close its loan in fall, 2010.

12. Town of Stevensville. System has prepared a preliminary engineering report (PER), and is pursuing grant funding for a portion of the project, but may also utilize SRF funds. Construction is anticipated in 2011.

13. Town of Jordan. The community has obtained alternate funding sources and the project is under construction.

14. Dry Prairie Regional Water System. Design approval has been obtained for the current phase of the project, however, the system is utilizing other funding including ARRA funding (non SRF).

15. Rocky Boys/North Central Regional Water System. Construction has started on this project utilizing other sources of funding, and it is anticipated that an SRF loan may be closed sometime during SFY11. The system also received other funding including ARRA funding (non SRF).

16. Town of Clyde Park. The community has obtained alternate funding sources and the project is under construction.

17. City of Helena. This project started construction and closed an SRF loan late in SFY07. Construction of the project has been completed and the facilities are in operation. This project was removed from the Priority List for SFY11.

18. Lockwood Water District. The project closed SRF loans in SFY06 and SFY08. Construction has been completed and the project was removed from the Priority List.

Disadvantaged Communities

Communities seeking a Drinking Water SRF loan that meet the disadvantaged community criteria described in the Intended Use Plan may receive an additional subsidy on their SRF loans, beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criteria based on projected rates as a result of the project.

In SFY10, Montana closed three loans at a 2.75% interest rate, for a total amount of $1,212,500. Twenty two other communities closed two loans each utilizing ARRA funding, which had a 0.75% interest rate and a 0% interest rate with principal forgiveness. Two of those loans had a term greater than 20 years. No other communities satisfied the disadvantaged criteria. In SFY11 we will have several loans with communities that may qualify for the disadvantaged interest rate.

Small Systems

The table below shows the breakdown of the population served by our loans in SFY10. We had a total of seventy loans with thirty three communities for a total of $31,631,046. Twenty seven communities are small systems that serve a population of less than 10,000 people. Small systems represent 55% of the loans made in FY10**.**

Public Water Supply	Population	Loan Amount
1. Belgrade (ARRA)	7,323	$750,000
2. Black Eagle WSD (ARRA)	1,000	$225,000
3. Chester (ARRA)	757	$448,000
4. Columbus (ARRA)	1,931	$750,000
5. Cut Bank (ARRA)	3,171	$750,000
6. Elk Meadows WD (ARRA)	155	$750,000
7. Em-Kayan WSD	150	$191,000
8. Essex WSD (ARRA)	38	$357,246
9. Fort Benton (ARRA)	1,470	$631,000
10. Glendive (ARRA)	4,643	$357,000
11. Havre (ARRA)	9,451	$350,000
12. Jette Meadows WSD (ARRA & SRF)	300	$1,075,000
13. Kevin (ARRA)	144	$680,000
14. Laurel	6,421	$1,338,500
15. Lewis & Clark Co. (ARRA)	100	$46,000
16. Manhattan (ARRA & SRF)	1,492	$424,000
17. Miles City (ARRA)	8,083	$750,000
18. Missoula Co.-Lewis & Clark (ARRA)	270	$482,700
19. Pablo WSD (ARRA)	2,000	$953,000
20. Polson (ARRA)	4,952	$750,000
21. Seeley Lake WD (ARRA & SRF)	1,190	$3,445,000
22. Three Forks (ARRA)	1,845	$170,000
23. Troy (ARRA)	994	$500,000
24. Upper Lower River Road WSD (ARRA)	85	$500,000
25. Virginia City (ARRA)	137	$430,000
26. Whitefish (ARRA)	7,723	$270,000
27. Wilderness Plateau WSD (ARRA)	400	$263,000

TOTAL	**$17,636,446**

Summary of Loan Assistance:

A tabulation of aggregate information can be found in Exhibit 5, History of DWSRF Binding Commitments. This table tabulates the quarterly federal payments, totals quarterly SRF binding commitments and cumulative binding commitments, and calculates Montana's achievement of its 100% binding commitment grant condition. In fiscal year 2010, the DWSRF maintained steady performance by executing project commitment agreements. The DWSRF completed SFY10 with binding commitments totaling 166.77% based on grant payments received four quarters earlier. We project in SFY11 that we will execute in excess of $21,977,000 in binding commitments. See Exhibit 6: DWSRF Projected Binding Commitments SFY11.

B. FIRST-ROUND FUNDED LOANS:

First-Round loans are financed with capitalization grants and state match. The DWSRF has financed the projects listed in Exhibit 3: DWSRF Capitalized Grant Closed Loans for SFY10.

C. RECYCLED FUNDED LOANS:

Recycled loans are financed with loan repayments from first round money and funds from transfers from the WPCSRF program. The DWSRF has financed the projects listed in Exhibit 4: Recycled Closed Loans for SFY10. There were two loans made that used recycled funds in SFY10.

D. SOURCE OF FUNDS:

Two sources of funds are used to capitalize the DWSRF: (1) the Federal Capitalization Grant, which provides 80% of the DWSRF loan funds; and (2) the state match, funded through the sale of GO bonds, which provides 20% of the DWSRF loan funds. State legislation originally authorized the sale of up to $10 million in GO bonds to match federal grant funds. In the 1999 and 2003 Legislative sessions, an additional $10 million of GO bonds were authorized each time for state match, bringing the total authorized to $30 million. This amount is adequate to cover funds currently authorized for the program. GO bonds, plus 2 RANs and a BAN, for a total of $20,595,000 have been issued by the DWSRF program to use as state matching funds through SFY10. See Exhibit 1: Sources of DWSRF Funds through SFY10. In SFY 10 in-kind services of $-0- have been provided to the DWSRF program by DNRC as match to federal grant funds and were used for program administration. Also, $11,282,486 of funds, have been transferred from the WPCSRF to the DWSRF for loans to date. See Exhibits 7 and 7A for a history of transferred funds between the two SRF programs.

The State of Montana adds a Loan Loss Reserve and an Administrative surcharge to its interest rate. The Loan Loss Reserve funds are used to fund the Required Reserve for the Drinking Water program bonds issued. Amounts over that required reserve are transferred to the principal account to be used for loans. The Administrative surcharge is used to fund administrative program costs not covered by the capitalization grants.

<u>SFY 2010</u>

Loan Loss Reserve funds collected: $791,325

Loan Loss Reserve funds transferred to Principal Account: $790,072

Administrative funds collected: $713,979

E. FEDERAL FUNDS DRAWN BY THE PROGRAM:

Exhibit 8, SFY 2010 Summary of Drinking Water SRF Letter of Credit to ASAP Draws shows 108 disbursement requests totaling $20,233,736 - 56 Administrative -Set-Aside disbursement requests totaling $730,335 and 60 Non-Administrative Set-Aside requests totaling $1,067,898. The total Federal Draws for SFY 2010 were $22,031,969.

F. SET – ASIDES

DWSRF Budget and Draws by Set-Asides displays the financial summary of these non-project activities, see Exhibit 9. In addition, DEQ is required to provide a 1 to 1 match for the State Program Management set-asides, which includes Public Water Supply Administration, Source Water Protection, Operator Certification, and Capacity Development. Up to one half of this match may come from expenditures made in 1993. Exhibit 10 summarizes the 1 to 1 match for SFY10. All of the set-aside activities for the year are discussed below.

DWSRF ADMINISTRATION

The DWSRF sets aside the maximum four percent from the capitalization grants for program administration. DEQ's contract with DNRC and other activities that occurred were:

- review and assistance during planning, design, project bidding and construction
- loan origination work, administering repayments
- preparation of bond issuance with state's bond counsel firm of Dorsey & Whitney
- financial modeling
- DWSRF program audit
- costs associated with the legislatively appointed advisory committee
- public comment processes

SMALL SYSTEMS TECHNICAL ASSISTANCE

Montana has set aside 2% (the maximum allowed) of its Federal Fiscal Year (FFY) 97, FFY 98, FFY 99, and FFY 03 Drinking Water State Revolving Loan Fund grants for small systems technical assistance. In addition, the DEQ has reserved authority for the 2% allocation from the FFY 00 and FFY 01 grants. No additional funds were set aside from the FFY 02 grant. An additional $135,000 was set aside from the FFY 04 grant, a $125,000 from the FFY 05 grant, $20,000 from the FFY 06 grant, and $95,000 from the FFY 07 grant, $90,000 from the FFY 08 grant, $125,000 from the FFY 09 grant, and $211,000 from the FFY 10 grant for a total of $1,514,226.

This set-aside is used for contracted services and administration of contracts to meet Montana's goal of providing technical assistance to water supplies with their system operation and maintenance procedures. A contract was awarded in 1999 to Midwest Assistance Program (MAP) of Montana to provide operation and maintenance technical assistance (O&M TA). The O&M TA contract was re-bid in 2005 and was again awarded to MAP. Since implementation, the contractor has made over 1,390 site visits to small public water supplies for a total cost of approximately $1,224,000. Evaluations of this service, conducted annually by DEQ, indicate the program is successfully helping small public water suppliers to effectively maintain and operate their water systems. Contracted technicians help water system operators develop or enhance technical capabilities that assist them in meeting the capacity development requirements of the 1996 amendments to the Safe Drinking Water Act.

An evaluation of the contract by DEQ DWSRF staff in May and June 2010 determined that the contract should be continued. The contract was renewed for state fiscal year 2011 (July 2010 through June 2011). The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.10 FTE is needed to provide contract oversight related to this set-aside (approximately $7,400 for SFY2011).

PUBLIC WATER SUPPLY SUPERVISION SET-ASIDE: ADMINISTRATION

This set-aside funded salaries, benefits, and operating expenses for 6.25 environmental science specialists and 3.4 administrative personnel (partial FTE of bureau chief and program managers) assigned to the Helena, Billings, and Kalispell Offices. The positions were funded through the set-aside grants SFY08, SF09. The

environmental science specialist positions provided technical assistance to water suppliers, performed sanitary surveys, and operator training. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclide Rule, Long Term 2, Stage 2 DBP Rule, Groundwater Rule, and the State's ground water chlorination rule. The set-aside also funded database development expenses associated with implementation, upgrading to SDWIS Web, and maintenance of SDWIS/state database, associated state-specific Oracle modules, and contracted sanitary surveys for public water supplies. All of these activities helped the PWSS Program achieve its over all goal of facilitating SDWA compliance by public water systems.

PWSS SOURCE WATER PROTECTION (SWP)

Section 1452(g) (2) (B) of the SDWA allows Montana to set aside a portion of the capitalization grant to "administer or provide technical assistance through source water assessment programs." Set-aside funds were used in State FY10 to administer the Source Water Protection Program and to provide technical assistance to local communities in the development of source water protection plans.

The specific goals achieved established in the Intended Use Plan and set-aside work plan in State FY10 were:

- Spatial datasets describing significant potential contaminant sources to drinking water supplies continue to be refined and available to PWS operators and the public. A new data layer was compiled showing generalized PWS locations as points, a refinement of the existing layer showing each PWS source. This refinement was made due to security concerns relating to public access to specific PWS source location data. Staff made presentations at 8 workshops and 5 "water schools" across the state to teach public water supply operators, realtors, well drillers, and the public how to access the on-line data and how to use the on-line mapping tools.

- Updates and additions were made to the Montana SWP webpage (http://deq.mt.gov/wqinfo/swp/default.mcpx) including a pair of presentations describing well and septic system operation and maintenance. Access to this information is important to very small rural public water systems where the scale of the PWS is similar to that of a domestic or single family residence system. Staff cooperated with Montana State Extension in the development of a training video on the same topic that is also now accessible though the SWP webpage.

- Flooding at small PWSs was a concern in the spring of 2010 so SWP staff compiled EPA public service announcements which the agency provided to the media in impacted counties. At the same time and in preparation for public response, flood clean-up tips and other flood related information was posted to the agency homepage.

- Montana requires a preliminary source water assessment for agency review to be provided by the developer of proposed PWS sources. In SFY 10, staff reviewed 32 preliminary source water assessments. These reviews are very useful by helping ensure wells are developed with low susceptibility to potential contaminant sources (passive protection) rather than needing long-term active source water protection planning.

CAPACITY DEVELOPMENT

The 1996 Amendments to the Safe Drinking Water Act allow states to use SRF funds to establish authority to enforce capacity requirements and to implement a capacity development strategy. This ensures that all new and existing community and non-transient non-community public water supply systems have the necessary technical, financial and managerial capability to comply with all of the primary requirements of the SDWA. EPA also requires that systems demonstrate adequate capacity in these areas as a condition of approval for Drinking Water SRF loans.

The state could have lost substantial portions of initial capitalization grants if it did not develop and implement strategies to assist existing water systems with capacity development. DEQ avoided the first of these withholding provisions by obtaining approval in 2000 of the state's Capacity Development Strategy for Existing Public Water Supply Systems. Subsequent withholding provisions of future capitalization grants can be avoided by adhering to the approved strategy and complying with the requirements for reporting capacity development improvements to the EPA.

The strategies are a methodology used to identify and prioritize public water systems in need of improving technical, financial, and managerial capacity (a complete copy of the capacity development strategies can be obtained from DEQ). Part of these strategies includes providing assistance to those systems by use of the set-aside funding. The state of Montana has over 1900 public water supplies. Given the large number of systems and a shortage of staff with the requisite financial and managerial experience, the department has chosen to provide these services through a contractor. The department entered into a contract with the Midwest Assistance Program (MAP) in March 2001 to provide these assistance services. Since then, MAP has provided in-depth financial and managerial services to 174 different public water systems. During SFY 10, MAP spent 935 hours performing 71 site visits at a cost of approximately $60,000.

In March 2006 a new request for proposals was issued and the Midwest Assistance Program was again selected to provide financial and managerial assistance services. This new contract, which took effect in July 2006, may be renewed annually, at the discretion of DEQ, for up to a total of seven years.

These activities achieved the outputs specified in the state's intended use and set-aside work plans by providing assistance to public water systems in need of financial and managerial support. The success of these efforts is documented by the summary reports submitted by the contractor and the consistently favorable response to questionnaires sent to public water systems receiving aid.

PWSS OPERATOR CERTIFICATION

This set-aside has been used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time staff positions and the program manager, as well as program operating expenses.

In the past year, the program has approximately 1,600 certified operators, including operators for approximately 684 community systems and 257 non-transient non-community systems. These water and wastewater operators hold over 3,208 certifications. Certification program activities include public outreach, collection and processing of applications, collection and processing of examination and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Approximately 98% overall of the community public water supply systems in each category have properly certified operators, which achieves Montana's IUP goal of 95%.

The Certification Program Manager sent the draft program to EPA Region VIII and Headquarters in October of 1999 and the program was formally approved in December 2000. The latest approval of Montana's Operator Certification Program annual submittal package was received from EPA on October 5, 2005. Positive feedback for the program has been received from both EPA Region VIII and Headquarters.

The DEQ requested and received approval for spending authority from the 2001 state legislature for very small water system expense reimbursement grant funding. EPA approved the grant application, and the reimbursement program began making reimbursements in October of 2002. Expenses associated with mandatory training qualified operators attended after July 1, 2002 is eligible for reimbursement. EPA has granted an extension of the funds through June 30, 2012 in the last approved work plan in April 2009.

The department has completed the transition of current water exams to standardized Association of Boards of Certification (ABC) water treatment and water distribution examinations. The Department will continue to track progress and evaluate statistical data to ensure that the program administers valid, comprehensive, and fair examinations.

LOCAL ASSISTANCE AND OTHER STATE PROGRAMS - SOURCE WATER DELINEATION AND ASSESSMENT AND WELLHEAD PROTECTION

Implementation of the Montana SWP Program continued in SFY 10. The specific goals achieved established in the Intended Use Plan and set-aside work plan in State FY 10 were:

- Twelve source water protection plans were reviewed by staff. All of these community water system plans were generated by Montana Rural Water.
- Thirty-two sanitary surveys were completed by SWP Section staff. The source water assessment for each of these PWSs was updated where changes were noted during the field visit. Staff completed Ground Water Under the Direct Influence of Surface Water (GWUDISW) updates with each of these. Staff continue to hone their understanding of small PWS operation through the on-the-ground work which is imperative to providing useful assistance to operators.
- Source Water Delineation and Assessment Reports continue to be accessible via an on-line tool. These reports are beginning to be used by others seeking hydrogeologic and potential contaminant source information. Changes in the state's webpage management software necessitated revisions to all published reports in order to maintain public access. This process continues in State FY11. We reviewed usage of the Source Water Protection On-line Query System and found the following-

Month	SwapQuery.asp	SwapList.asp	SWP/PWS Query-hits per month
9-Oct	209	190	399
9-Nov	294	265	559
9-Dec	216	199	415
10-Jan	270	255	525
10-Feb	300	258	558
10-Mar	299	295	594
10-Apr	318	361	679
10-May	373	343	716
10-Jun	277	250	527
10-Jul	287	309	596
10-Aug	304	338	642
			Average per month 565

The on-line SWP access tool appears to be used at a significant level and we will continue to maintain public accessibility.

VI. GRANT CONDITIONS AND CERTIFICATIONS

The State of Montana agreed to the following conditions outlined in the Operating Agreement. These items are discussed in more detail throughout the body of this report. To the best of our knowledge, DEQ and DNRC have abided by all requirements of state and federal law in the administration of this program.

(a) Assurance that the State has the authority to establish a Fund and operate the DWSRF program in accordance with SDWA.

The State of Montana's authority was re-certified and included with our application for and award of the FFY 10 capitalization grant.

(b) Assurance that the State will comply with State Statutes and regulations.

(c) Assurance that the State has the technical capability to operate the program.

(d) Assurance that the State will accept capitalization grant funds in accordance with a payment schedule.

Please see Exhibit 9: Drinking Water State Revolving Fund Fiscal Year 2010 Budget v. Draw by Category.

(e) Assurance that the State will deposit all capitalization grant funds in the Fund or Set-Aside Account.

(f) Assurance that the State will provide an amount equal to at least 20 percent of the capitalization grant (State match) in the Fund.

(g) Assurance that the State will deposit net bond proceeds, interest earnings, and repayments into the Fund.

(h) Assurance that the State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.

(i) Assurance that the State will use Generally Accepted Accounting Principles.

(j) Assurance that the State will have the Fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

Please see Appendix B.

(k) Assurance that the State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of privately owned system, demonstrate that there is adequate security).

(l) Assurance that the State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.

(m) Assurance that funds will be used in accordance with the Intended Use Plan.

Please see Appendix C: Drinking Water SRF Intended Use Plan and Project Priority List, SFY 2010, and Appendix D, Intended Use Plan for American Recovery and Reinvestment Act of 2009.

(n) Assurance that the State will provide EPA with a Biennial Report.

The submission of this document will fulfill the State of Montana's responsibility to submit a report.

(o) Assurance the State will comply with all Federal crosscutting authorities.

(p) The state agrees that it will conduct an environmental review and a determination will be executed and distributed using a state process consisting of the same level of environmental detail required under the state Environmental Review Process for the Drinking Water SRF Program.

All construction projects that received assistance during SFY 10 were reviewed and approved using the Montana Environmental Policy Act (MEPA). It was determined that no Environmental Impact Statements were necessary. A Categorical Exclusion was either granted or an Environmental Assessment was prepared and a Finding of No Significant Impact was issued for all projects.

(q) The use of set-asides for Administrative Expenses, Small Systems Technical Assistance, State Program Management (Public Water Supply Supervision, Source Water Protection, Capacity Development, and Operator Certification), Local Assistance and Other State Programs (Source Water Delineation) will be identified each year in the IUP and established in accordance with the Drinking Water SRF Program Guidelines.

(r) Specific Requirements under Title XIV

1. In accordance with Section 1420(a) of the Safe Drinking Water Act, the state has the authority to ensure that all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, can demonstrate technical, managerial, and financial capability with respect to each national primary drinking water regulation in effect.

   EPA has reviewed and approved Montana's capacity development authority and strategies. Administrative Rules that implement Montana's strategies became effective on September 10, 1999.

2. The state currently has a water and wastewater treatment plant operator certification program within the Permitting and Compliance Division, Department of Environmental Quality.

In addition, the following conditions were given with the Capitalization Grant Award. To the best of our knowledge, DEQ and DNRC have abided by these requirements as well.

- The recipient agrees to ensure that all space for conferences, meetings, conventions, or training funded in whole or in part with Federal funds complies with the Hotel and Motel Fire and Safety Act of 1990.

- EPA Order 1000.25 Recycled Paper-DEQ is using recycled paper for printing reports to be delivered to EPA.

- Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Utilization Under Federal Grants – During SFY 10 loan recipients were required to comply with all Federal requirements concerning Disadvantaged Business Enterprises (DBE) Utilization either by project specification or submitting appropriate reports during construction.

- The state's fair share goal for DBE participation is 5% for SFY 10 (2% MBE, 3% WBE). Refer to Exhibit 11 for the summary of the DWSRF Loans-MBE/WBE for contracts awarded during SFY 10.

VII. CURRENT STATUS AND FUTURE ACTIVITIES

The DWSRF continues to use US Bank as its trustee to manage funds and accounts established under the program. To date this arrangement has been very beneficial. DNRC has internet access to US Bank accounts, which has made monthly reconciliation of WPCSRF and DWSRF accounts more timely. D.A. Davidson and Co. and Piper Jaffray Inc. continue to act as the DWSRF bond underwriters and financial advisors. Dorsey & Whitney will continue to act as DWSRF bond counsel for the general obligation bonds issued in future fiscal years.

DEQ has completed work on the project database, which may ultimately include links with the DWSRF, the PWSS program, and fiscal services in both DEQ and DNRC. The DEQ's Technical and Financial Assistance Bureau has 0.05 FTE budgeted for maintaining the WPCSRF and DWSRF databases. This person serves as liaison between SRF program staff and DEQ's data processing and IT staff. The databases again facilitated federal reporting during SFY 10.

The following schedule indicates the key dates for continuation of the Drinking Water State Revolving Fund Loan Program in SFY11:

SFY11 ESTIMATED KEY DATES	**ACTIVITY**
July 2010	Held DWSRF bi-monthly meeting
September 2010	Held DWSRF bi-monthly meeting
November 2010	Attended Fall CIFA Conference
November 2010	Held DWSRF bi-monthly meeting
January 2011	Hold DWSRF bi-monthly meeting
March 2011	Hold DWSRF bi-monthly meeting
Spring 2011	Hold infrastructure financing workshops to promote and market DWSRF program
May 2011	Hold DWSRF bi-monthly meeting
May 2011	Attend Spring CIFA Conference

VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Automated Standard Application for Payments
AWWA/MWEA	American Water Works Association/Montana Water Environment Association
BAN	Bond Anticipation Note
CIFA	Council of Infrastructure Financing Authorities
DBE	Disadvantaged Business Enterprises
DEQ	Montana Department of Environmental Quality
DNRC	Montana Department of Natural Resources and Conservation
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency
FFY	Federal Fiscal Year (which begins October 1 and ends September 30)
GAN	Grant Anticipation Note
GWUDISW	Ground Water Under the Direct Influence of Surface Water
GO	General Obligation
IUP	Intended Use Plan
LT2ESWTR	Long Term 2 Enhanced Surface Water Treatment Rule
LAC	Legislative Audit Committee
LAD	Legislative Audit Division
MBE	Minority Business Enterprises
MPDES	Montana Pollution Discharge Elimination System
NPS	Non-point Source
NMP	National Municipal Policy
PPAD	Planning, Prevention and Assistance Division
PPL	Project Priority List
PWSS	Public Water Supply Supervision
RAN	Revenue Anticipation Note
RSID	Rural Special Improvement District
SDWA	Safe Drinking Water Act
SFY	State Fiscal Year (which begins July 1 and ends June 30)
SID	Special Improvement District
SDWIS	State Drinking Water Information System
SWP	Source Water Protection

TFAB	Technical and Financial Assistance Bureau
TSEP	Treasure State Endowment Program
W_2ASACT	Water, Wastewater and Solid Waste Action Coordinating Team
WBE	Women Business Enterprises
WD	Water District
WPCSRF	Water Pollution Control State Revolving Fund
WSD	Water and Sewer District

EXHIBIT 1: SOURCES OF DWSRF FUNDS THROUGH SFY 10

Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments by Fiscal Year		Actual State Match GO Bonds Issues	Other State Match
1) FS-998850-97 6/30/98; 1997	1998	$ 14,826,200	$ -	$ -		$ -	
No Grants awarded in SFY99	1999	$ -	$ 2,965,240	$ 24,274,000	(1) *	$ 3,065,000	
2) FS-998850-98 7/26/99; 1998	2000	$ 7,121,300	$ 1,424,260			$ -	
3) FS-998850-99 9/14/99; 1999		$ 7,463,800	$ 1,492,760	$ 15,073,701	(2)	$ 2,990,000	
4) FS-998850-00 10/02/00; 2000	2001	$ 7,757,000	$ 1,551,400			$ -	
5) FS-998850-01 05/21/01; 2001		$ 7,789,100	$ 1,557,820	$ 11,204,000	(3)	$ 3,190,000	$ 26,986
6) FS-998850-02 02/21/02; 2002	2002	$ 8,052,500	$ 1,610,500	$ 3,495,000		$ -	$ 145,660
No Grants awarded in SFY03	2003	$ -		$ 9,090,000	(4)	$ 1,675,000	$ 266,627
7) FS-998850-03 07/16/03 (set asides) & 6/28/04; 2003	2004	$ 8,004,064	$ 1,600,813	$ 8,180,780		$ -	$ 331,226
8) FS-998850-05 08/16/04 (04 set asides), 6/16/05 (2004 & 2005 grants & 2005 set asides)	2005	$ 16,588,524	$ 3,317,705	$ 12,683,000	(5)	$ 3,875,000	$ 421,554
8) FS-998850-05 8/5/05 Transfer to WPCSRF		$ (5,000,000)					
9) FS-998850-06 5/17/06; 2006	2006	$ 8,229,300	$ 1,645,860	$ 24,929,596		$ -	$ 1,095,911
10) FS-998850-07 6/5/07; 2007	2007	$ 8,229,000	$ 1,645,800	$ 17,007,000		$ -	$ 552,917
11) FS-998850-08 6/5/07; 2008	2008	$ 8,146,000	$ 1,629,200	$ 14,357,160	(6)	$ 1,500,000	$ 720,991
11) FS-998850-08 3/12/09 Transfer to WPCSRF		$ (5,000,000)					
12) 2F-97879201 5/18/09; ARRA	2009	$ 19,500,000	$ -	$ 18,444,800	(7)	$ 3,000,000	$ 761,882
13) FS-998850-09 1/25/10; 2009		$ 8,146,000	$ 1,629,200		(8)	$ 5,400,000	
14) FS-998850-10 6/9/10; 2010	2010	$ 13,573,000	$ 2,714,600	$ 25,383,111	(8)	$ (4,100,000)	$ 2,975,072
TOTAL		$ 133,425,788	$ 24,785,158	$ 184,122,148		$ 20,595,000	$ 7,298,826

*Bond Anticipation Note issued 7-31-98 for $1,000,000, paid off by GO Bond for $3,065,000 issued 10-6-98

1) First General Obligation Bond Issued October 1, 1998 for $3,065,000

2) Second General Obligation Bond Issued April 15, 2000 for $2,990,000

3) Third General Obligation Bond Issued June 15, 2001 for $3,190,000

4) Fourth General Obligation Bond Issued June 15, 2003 for $1,675,000

5) Fifth General Obligation Bond Issued May 5, 2005 for $3,875,000

6) BAN 8/10/07 $500,000 and RAN 4/15/08 $1,000,000

7) Revenue Anticipation Note (RAN) 4/3/09 $3,000,000

8) Sixth General Obligation Bond Issued May 18, 2010 for 1,300,000 + refunded balances of 2000A & 2001G bonds.

EXHIBIT 2: DWSRF BINDING COMMITMENTS EXECUTED SFY 10

Public Entity	Type of Security	B.C. Date	B.C. Amount	Bond Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest	Net Interest	Term
Belrade A (2010 Grant)	Revenue	6/15/2010	$ 500,000.00			$ -		0.00%	0.00%	
Belrade B	Revenue	6/15/2010	$ 2,718,000.00			$ -		3.75%	2.00%	20
Billings A (2010 Grant)	Revenue	3/15/2010	$ 500,000.00			$ -		0.00%	0.00%	
Billings B	Revenue	3/15/2010	$ 3,000,000.00			$ -		3.75%	2.00%	20
Cut Bank A (2010 Grant)	Revenue	5/10/2010	$ 70,000.00			$ -		0.00%	0.00%	
Cut Bank B	Revenue	5/10/2010	$ 70,000.00			$ -		3.75%	2.00%	20
Em-Kayan WSD	Revenue	12/21/2009	$ 200,000.00	$ 191,000.00	$ 10,310.00	$ 180,690.00	6/10/2010	3.75%	2.00%	20
Gore Hill WD	Revenue	1/19/2010	$ 546,000.00			$ -		3.75%	2.00%	20
Jette Meadows WSD C	Revenue	11/17/2009	$ 325,000.00	$ 325,000.00	$ 8,232.00	$ 316,768.00	6/10/2010	3.75%	2.00%	20
Jette Meadows WSD Refin	Revenue	6/25/2010	$ 269,365.00			$ -		3.75%	2.00%	17
Judith Gap	Revenue	3/26/2010	$ 112,000.00			$ -		2.75%	2.00%	30
Laurel IV-A	Revenue	7/20/2009	$ 500,000.00	$ 500,000.00	$ 482,943.00	$ 17,057.00	12/3/2009	2.75%	2.00%	20
Laurel IV-B	Revenue	7/20/2009	$ 753,000.00	$ 320,000.00	$ 80,635.00	$ 239,365.00	4/15/2010	3.75%	2.00%	20
Laurel Refinance	Revenue	2/2/2010	$ 518,500.00	$ 518,500.00	$ 518,500.00	$ -	2/22/2010	2.75%	2.00%	14.5
Manhattan	Revenue	3/22/2010	$ 194,000.00	$ 194,000.00	$ 91,575.00	$ 102,425.00	5/13/2010	2.75%	2.00%	20
Nashua	Revenue	1/5/2010	$ 149,000.00			$ -		2.75%	2.00%	20
Pablo C	Revenue	9/9/2009	$ 203,000.00	$ 203,000.00	$ 11,951.00	$ 191,049.00	6/11/2010	3.75%	2.00%	20
Shelby C	Revenue	6/29/2010	$ 1,247,000.00			$ -		3.75%	2.00%	5
St. Ignatius	Revenue	11/12/2009	$ 103,000.00			$ -		2.75%	2.00%	20
Upper Lower River Rd WSD C	Revenue	9/18/2009	$ 100,000.00			$ -		2.75%	2.00%	20
Total Committed Regular WRF			$ 12,077,865.00	$ 2,251,500.00	$ 1,204,146.00	$ 1,047,354.00				

EXHIBIT 2: DWSRF BINDING COMMITMENTS EXECUTED SFY 10 (CONTINUED)

Public Entity	Type of Security	B.C. Date	B.C. Amount	Bond Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest	Net Interest	Term
Black Eagle WSD ARRA A	Revenue	12/23/2009	$ 124,900.00	$ 124,900.00	$ 830.00	$ 124,070.00	2/8/2010	0.00%	0.00%	
Black Eagle WSD ARRA B	Revenue	12/23/2009	$ 100,100.00	$ 100,100.00	$ 15,439.00	$ 84,661.00	2/8/2010	0.75%	0.75%	12.5
Butte ARRA A	Revenue	12/15/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	1/28/2010	0.00%	0.00%	
Butte ARRA B	Revenue	12/15/2009	$ 333,700.00	$ 333,700.00	$ 299,230.00	$ 34,470.00	1/28/2010	1.75%	1.75%	10
Chester ARRA A	Revenue	9/17/2009	$ 248,600.00	$ 248,600.00	$ 248,600.00	$ -	10/7/2009	0.00%	0.00%	
Chester ARRA B	Revenue	9/17/2009	$ 199,400.00	$ 199,400.00	$ 199,400.00	$ -	10/7/2009	0.75%	0.75%	20
Cut Bank ARRA A	Revenue	7/29/2009	$ 416,300.00	$ 416,300.00	$ 385,311.00	$ 30,989.00	10/1/2009	0.00%	0.00%	
Cut Bank ARRA B	Revenue	7/29/2009	$ 333,700.00	$ 333,700.00	$ 25,219.00	$ 308,481.00	10/1/2009	0.75%	0.75%	20
Elk Meadows WD ARRA A (inc) *	GO	9/25/2009	$ 152,675.00	$ 416,300.00	$ 406,007.00	$ 10,293.00	11/24/2009	0.00%	0.00%	
Elk Meadows WD ARRA B (inc) *	GO	9/25/2009	$ 122,325.00	$ 333,700.00	$ 200,234.00	$ 133,466.00	11/24/2009	0.75%	0.00%	20
Essex WSD ARRA A	Revenue	10/26/2009	$ 198,300.00	$ 198,300.00	$ 46,529.00	$ 151,771.00	12/10/2009	0.00%	0.00%	
Essex WSD ARRA B	Revenue	10/26/2009	$ 158,946.00	$ 158,946.00	$ 8,579.00	$ 150,367.00	12/10/2009	0.75%	0.75%	20
Fort Benton ARRA A	Revenue	10/23/2009	$ 350,200.00	$ 350,200.00	$ 263,697.00	$ 86,503.00	12/16/2009	0.00%	0.00%	
Fort Benton ARRA B	Revenue	10/23/2009	$ 280,800.00	$ 280,800.00	$ 14,952.00	$ 265,848.00	12/16/2009	1.75%	1.75%	20
Havre ARRA A	Revenue	9/25/2009	$ 194,300.00	$ 194,300.00	$ 194,300.00	$ -	10/21/2009	0.00%	0.00%	
Havre ARRA B	Revenue	9/25/2009	$ 155,700.00	$ 155,700.00	$ 155,700.00	$ -	10/21/2009	0.75%	0.75%	20
Helena ARRA A	Revenue	9/29/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	10/29/2009	0.00%	0.00%	
Helena ARRA B	Revenue	9/29/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	10/29/2009	1.75%	1.75%	20
Jette Meadows WSD ARRA A	Revenue	11/17/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	1/29/2010	0.00%	0.00%	
Jette Meadows WSD ARRA B	Revenue	11/17/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	1/29/2010	0.75%	0.75%	20
Kevin ARRA A	Revenue	7/30/2009	$ 377,400.00	$ 377,400.00	$ 283,250.00	$ 94,150.00	2/10/2010	0.00%	0.00%	
Kevin ARRA B	Revenue	7/30/2009	$ 302,600.00	$ 302,600.00	$ 23,617.00	$ 278,983.00	2/10/2010	0.75%	0.75%	20
Lewis & Clark County ARRA A	Revenue	9/15/2009	$ 25,500.00	$ 25,500.00	$ 25,500.00	$ -	12/10/2009	0.00%	0.00%	
Lewis & Clark County ARRA B	Revenue	9/15/2009	$ 20,500.00	$ 20,500.00	$ 20,500.00	$ -	12/10/2009	0.75%	0.75%	5
Miles City ARRA A	Revenue	9/10/2009	$ 416,300.00	$ 416,300.00	$ 375,662.00	$ 40,638.00	12/10/2009	0.00%	0.00%	
Miles City ARRA B	Revenue	9/10/2009	$ 333,700.00	$ 333,700.00	$ 18,011.00	$ 315,689.00	12/10/2009	0.75%	0.75%	20
Missoula County ARRA A	Revenue	7/20/2009	$ 366,300.00	$ 317,700.00	$ 317,700.00	$ -	9/22/2009	0.00%	0.00%	
Missoula County ARRA B	SID	7/20/2009	$ 180,000.00	$ 165,000.00	$ 34,462.00	$ 130,538.00	9/22/2009	0.75%	0.75%	20

EXHIBIT 2: DWSRF BINDING COMMITMENTS EXECUTED SFY 10 (CONTINUED)

Public Entity	Type of Security	B.C. Date	B.C. Amount	Bond Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest	Net Interest	Term
Missoula County ARRA C	Revenue	7/20/2009	$ 113,700.00			$ -		0.75%	0.75%	5
Mountain Water Company ARRA A	Revenue	12/17/2009	$ 416,300.00	$ 416,300.00	$ 192,430.00	$ 223,870.00	2/5/2010	0.00%	0.00%	
Mountain Water Company ARRA B	Revenue	12/17/2009	$ 333,700.00			$ -		1.75%	0.00%	5
Pablo WSD ARRA A	Revenue	9/9/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	11/6/2009	0.00%	0.00%	
Pablo WSD ARRA B	Revenue	9/9/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	11/6/2009	0.75%	0.75%	20
Polson ARRA A	Revenue	9/24/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	10/16/2009	0.00%	0.00%	
Polson ARRA B	Revenue	9/24/2009	$ 333,700.00	$ 333,700.00	$ 32,016.00	$ 301,684.00	10/16/2009	0.75%	0.75%	20
Shelby ARRA A	Revenue	6/29/2010	$ 416,300.00			$ -		0.00%	0.00%	
Shelby ARRA B	Revenue	6/29/2010	$ 333,700.00			$ -		0.75%	0.75%	20
Three Forks ARRA A	Revenue	10/8/2009	$ 94,400.00	$ 94,400.00	$ 94,400.00	$ -	11/13/2009	0.00%	0.00%	
Three Forks ARRA B	Revenue	10/8/2009	$ 75,600.00	$ 75,600.00	$ 56,664.00	$ 18,936.00	11/13/2009	1.75%	0.00%	20
Troy ARRA A	Revenue	11/9/2009	$ 277,500.00	$ 277,500.00	$ 232,907.00	$ 44,593.00	2/4/2010	0.00%	0.00%	
Troy ARRA B	Revenue	11/9/2009	$ 222,500.00	$ 222,500.00	$ 60,861.00	$ 161,639.00	2/4/2010	0.75%	0.75%	20
Univ. of Montana ARRA A	Revenue	8/26/2009	$ 416,300.00	$ 416,300.00	$ 225,989.00	$ 190,311.00	1/15/2010	0.00%	0.00%	
Univ. of Montana ARRA B	Revenue	8/26/2009	$ 333,700.00			$ -		1.75%	1.75%	10
Upper Lower River Rd WSD ARRA A	Revenue	9/18/2009	$ 277,500.00	$ 277,500.00	$ 277,500.00	$ -	1/21/2010	0.00%	0.00%	
Upper Lower River Rd WSD ARRA B	Revenue	9/18/2009	$ 222,500.00	$ 222,500.00	$ 62,108.00	$ 160,392.00	1/21/2010	0.75%	0.75%	24
Virginia City ARRA A	Revenue	8/24/2009	$ 238,700.00	$ 238,700.00	$ 238,700.00	$ -	10/16/2009	0.00%	0.00%	
Virginia City ARRA B	Revenue	8/24/2009	$ 191,300.00	$ 191,300.00	$ 143,442.00	$ 47,858.00	10/16/2009	0.75%	0.75%	20
Whitefish ARRA A	Revenue	9/18/2009	$ 149,900.00	$ 149,900.00	$ 149,900.00	$ -	10/21/2009	0.00%	0.00%	
Whitefish ARRA B	Revenue	9/18/2009	$ 120,100.00	$ 120,100.00	$ 120,100.00	$ -	10/21/2009	0.75%	0.75%	20
Wilderness Plateau WSD ARRA A	Revenue	12/21/2009	$ 146,000.00	$ 146,000.00	$ 146,000.00	$ -	2/2/2010	0.00%	0.00%	
Wilderness Plateau WSD ARRA B	Revenue	12/21/2009	$ 117,000.00	$ 117,000.00	$ 94,786.00	$ 22,214.00	2/2/2010	0.75%	0.75%	20
Total Committed ARRA			$ 13,305,246.00	$ 12,185,546.00	$ 8,773,132.00	$ 3,412,414.00				
Total Committed Regular & ARRA			**$ 25,383,111.00**	**$ 14,437,046.00**	**$ 9,977,278.00**	**$ 4,459,768.00**				

*Elk Meadows original commit on 12/11/07. Changed to ARRA Commit and increased on 9/25/09. Total commit $750,000

EXHIBIT 3: DWSRF CAPITALIZED GRANT CLOSED LOANS FOR SFY 10

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Billings C	Rev	2/26/2009	$ 2,750,000.00	$ 2,750,000.00	$ 2,750,000.00	$ -	4/15/2010	3.75%
Em-Kayan WSD	Rev	12/21/2009	$ 191,000.00	$ 191,000.00	$ 10,310.00	$ 180,690.00	6/10/2010	3.75%
Jette Meadows WSD C	Rev	11/17/2009	$ 325,000.00	$ 325,000.00	$ 8,232.00	$ 316,768.00	6/10/2010	3.75%
Laurel IV-A	Rev	7/20/2009	$ 500,000.00	$ 500,000.00	$ 482,943.00	$ 17,057.00	12/3/2009	2.75%
Laurel IV-B	Rev	7/20/2009	$ 753,000.00	$ 320,000.00	$ 80,635.00	$ 239,365.00	4/15/2010	3.75%
Manhattan	Rev	3/22/2010	$ 194,000.00	$ 194,000.00	$ 91,575.00	$ 102,425.00	5/13/2010	2.75%
Pablo WSD C	Rev	9/9/2009	$ 203,000.00	$ 203,000.00	$ 11,951.00	$ 191,049.00	6/11/2010	3.75%
Seeley Lake WD C	Rev	5/19/2009	$ 2,695,000.00	$ 2,695,000.00	$ 1,945,552.00	$ 749,448.00	10/6/2009	3.75%
Closed Loans			$ 7,611,000.00	$ 7,178,000.00	$ 5,381,198.00	$ 1,796,802.00		

EXHIBIT 3A: DWSRF ARRA GRANT CLOSED LOANS FOR SFY 10

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Belgrade A	Rev	5/19/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	7/22/2009	0.00%
Belgrade B	Rev	5/19/2009	$ 333,700.00	$ 333,700.00	$ 131,179.00	$ 202,521.00	7/22/2009	0.75%
Billings A	Rev	2/26/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	8/12/2009	0.00%
Billings B	Rev	2/26/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	8/12/2009	1.75%
Black Eagle WSD A	Rev	12/23/2009	$ 124,900.00	$ 124,900.00	$ 830.00	$ 124,070.00	2/8/2010	0.00%
Black Eagle WSD B	Rev	12/23/2009	$ 100,100.00	$ 100,100.00	$ 15,439.00	$ 84,661.00	2/8/2010	0.75%
Butte A	Rev	12/15/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	1/28/2010	0.00%
Butte B	Rev	12/15/2009	$ 333,700.00	$ 333,700.00	$ 299,230.00	$ 34,470.00	1/28/2010	1.75%
Chester A	Rev	9/17/2009	$ 248,600.00	$ 248,600.00	$ 248,600.00	$ -	10/7/2009	0.00%
Chester B	Rev	9/17/2009	$ 199,400.00	$ 199,400.00	$ 199,400.00	$ -	10/7/2009	0.75%
Columbus A	Rev	1/26/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	7/8/2009	0.00%
Columbus B	Rev	1/26/2009	$ 333,700.00	$ 333,700.00	$ 185,410.00	$ 148,290.00	7/8/2009	0.75%
Cut Bank A	Rev	7/29/2009	$ 416,300.00	$ 416,300.00	$ 385,311.00	$ 30,989.00	10/1/2009	0.00%
Cut Bank B	Rev	7/29/2009	$ 333,700.00	$ 333,700.00	$ 25,219.00	$ 308,481.00	10/1/2009	0.75%
Elk Meadows WD A	GO	9/25/2009	$ 416,300.00	$ 416,300.00	$ 406,007.00	$ 10,293.00	11/24/2009	0.00%
Elk Meadows WD B	GO	9/25/2009	$ 333,700.00	$ 333,700.00	$ 200,234.00	$ 133,466.00	11/24/2009	0.75%
Essex WSD A	Rev	10/26/2009	$ 198,300.00	$ 198,300.00	$ 46,529.00	$ 151,771.00	12/10/2009	0.00%
Essex WSD B	Rev	10/26/2009	$ 158,946.00	$ 158,946.00	$ 8,579.00	$ 150,367.00	12/10/2009	0.75%
Fort Benton A	Rev	10/23/2009	$ 350,200.00	$ 350,200.00	$ 263,697.00	$ 86,503.00	12/16/2009	0.00%
Fort Benton B	Rev	10/23/2009	$ 280,800.00	$ 280,800.00	$ 14,952.00	$ 265,848.00	12/16/2009	1.75%
Glendive A	Rev	6/11/2009	$ 198,100.00	$ 198,100.00	$ 198,100.00	$ -	10/14/2009	0.00%
Glendive B	Rev	6/11/2009	$ 158,900.00	$ 158,900.00	$ 158,900.00	$ -	10/14/2009	1.75%
Great Falls A	Rev	6/11/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	8/13/2009	0.00%
Great Falls B	Rev	6/11/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	8/13/2009	1.75%
Havre A	Rev	9/25/2009	$ 194,300.00	$ 194,300.00	$ 194,300.00	$ -	10/21/2009	0.00%
Havre B	Rev	9/25/2009	$ 155,700.00	$ 155,700.00	$ 155,700.00	$ -	10/21/2009	0.75%
Helena A	Rev	9/29/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	10/29/2009	0.00%
Helena B	Rev	9/29/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	10/29/2009	1.75%
Jette Meadows WSD A	Rev	11/17/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	1/29/2010	0.00%
Jette Meadows WSD B	Rev	11/17/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	1/29/2010	0.75%
Kevin A	Rev	7/30/2009	$ 377,400.00	$ 377,400.00	$ 283,250.00	$ 94,150.00	2/10/2010	0.00%

EXHIBIT 3A: DWSRF ARRA GRANT CLOSED LOANS FOR SFY 10 (CONTINUED)

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Kevin B	Rev	7/30/2009	$ 302,600.00	$ 302,600.00	$ 23,617.00	$ 278,983.00	2/10/2010	0.75%
Lewis & Clark County A	Rev	9/15/2009	$ 25,500.00	$ 25,500.00	$ 25,500.00	$ -	12/10/2009	0.00%
Lewis & Clark County B	Rev	9/15/2009	$ 20,500.00	$ 20,500.00	$ 20,500.00	$ -	12/10/2009	0.75%
Manhattan A	Rev	7/10/2008	$ 219,200.00	$ 127,700.00	$ 101,835.00	$ 25,865.00	11/10/2009	0.00%
Manhattan B	Rev	7/10/2008	$ 175,800.00	$ 102,300.00	$ 14,640.00	$ 87,660.00	11/10/2009	0.75%
Miles City A	Rev	9/10/2009	$ 416,300.00	$ 416,300.00	$ 375,662.00	$ 40,638.00	12/10/2009	0.00%
Miles City B	Rev	9/10/2009	$ 333,700.00	$ 333,700.00	$ 18,011.00	$ 315,689.00	12/10/2009	0.75%
Missoula County - L&C A	RSID	7/20/2009	$ 366,300.00	$ 317,700.00	$ 317,700.00	$ -	9/22/2009	0.00%
Missoula County - L&C B	RSID	7/20/2009	$ 180,000.00	$ 165,000.00	$ 34,462.00	$ 130,538.00	9/22/2009	0.75%
Mountain Water Company A	Rev	12/17/2009	$ 416,300.00	$ 416,300.00	$ 192,430.00	$ 223,870.00	2/5/2010	0.00%
Pablo WSD A	Rev	9/9/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	11/6/2009	0.00%
Pablo WSD B	Rev	9/9/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	11/6/2009	0.75%
Polson A	Rev	9/24/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	10/16/2009	0.00%
Polson B	Rev	9/24/2009	$ 333,700.00	$ 333,700.00	$ 32,016.00	$ 301,684.00	10/16/2009	0.75%
Seeley Lake WD A	Rev	5/19/2009	$ 416,300.00	$ 416,300.00	$ 416,300.00	$ -	7/29/2009	0.00%
Seeley Lake WD B	Rev	5/19/2009	$ 333,700.00	$ 333,700.00	$ 333,700.00	$ -	7/29/2009	0.75%
Three Forks A	Rev	10/8/2009	$ 94,400.00	$ 94,400.00	$ 94,400.00	$ -	11/13/2009	0.00%
Three Forks B	Rev	10/8/2009	$ 75,600.00	$ 75,600.00	$ 56,664.00	$ 18,936.00	11/13/2009	1.75%
Troy A	Rev	11/9/2009	$ 277,500.00	$ 277,500.00	$ 232,907.00	$ 44,593.00	2/4/2010	0.00%
Troy B	Rev	11/9/2009	$ 222,500.00	$ 222,500.00	$ 60,861.00	$ 161,639.00	2/4/2010	0.75%
University of Montana A	Rev	8/26/2009	$ 416,300.00	$ 416,300.00	$ 225,989.00	$ 190,311.00	1/15/2010	0.00%
Upper Lower River Rd WSD A	Rev	9/18/2009	$ 277,500.00	$ 277,500.00	$ 277,500.00	$ -	1/21/2010	0.00%
Upper Lower River Rd WSD B	Rev	9/18/2009	$ 222,500.00	$ 222,500.00	$ 62,108.00	$ 160,392.00	1/21/2010	0.75%
Virginia City A	Rev	8/24/2009	$ 238,700.00	$ 238,700.00	$ 238,700.00	$ -	10/16/2009	0.00%
Virginia City B	Rev	8/24/2009	$ 191,300.00	$ 191,300.00	$ 143,442.00	$ 47,858.00	10/16/2009	0.75%
Whitefish A	Rev	9/18/2009	$ 149,900.00	$ 149,900.00	$ 149,900.00	$ -	10/21/2009	0.00%
Whitefish B	Rev	9/18/2009	$ 120,100.00	$ 120,100.00	$ 120,100.00	$ -	10/21/2009	0.75%
Wilderness Plateau WSD A	Rev	12/21/2009	$ 146,000.00	$ 146,000.00	$ 146,000.00	$ -	2/2/2010	0.00%
Wilderness Plateau WSD B	Rev	12/21/2009	$ 117,000.00	$ 117,000.00	$ 94,786.00	$ 22,214.00	2/22/2010	0.75%
Closed Loans ARRA			$ 16,751,146.00	$ 16,522,546.00	$ 12,645,796.00	$ 3,876,750.00		

EXHIBIT 4: DWSRF RECYCLED CLOSED LOANS FOR SFY 10

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Billings - Zone 4 Tank	Rev	5/19/2009	$ 8,387,000.00	$ 7,412,000.00	$ 2,856,406.00	$ 4,555,594.00	10/15/2009	3.75%
Laurel Refinance	Rev	2/2/2010	$ 518,500.00	$ 518,500.00	$ 518,500.00	$ -	2/22/2010	2.75%
Closed Loans			$ 8,905,500.00	$ 7,930,500.00	$ 3,374,906.00	$ 4,555,594.00		

EXHIBIT 5: HISTORY OF DWSRF BINDING COMMITMENTS

Federal Fiscal QTR/YR	State Fiscal Year	Qtr	Grant Payments	Cumulative Payments	Binding Commitment	Fiscal Year Binding Commitment	Cumulative Binding Commitment	BC/Payments One Year Earlier
4Q FFY00	SFY01	1	$ 8,173,932	$ 31,045,992	$ 1,250,000		$ 40,597,701	177.50%
1Q FFY01	SFY01	2		$ 31,045,992	$ 2,265,000		$ 42,862,701	187.40%
2Q FFY01	SFY01	3		$ 31,045,992	$ 2,893,000		$ 45,755,701	200.05%
3Q FFY01	SFY01	4		$ 31,045,992	$ 4,796,000	$ 11,204,000	$ 50,551,701	221.02%
4Q FFY01	SFY02	1	$ 8,648,120	$ 39,694,112	$ 1,641,000		$ 52,192,701	168.11%
1Q FFY02	SFY02	2		$ 39,694,112	$ 1,066,000		$ 53,258,701	171.55%
2Q FFY02	SFY02	3		$ 39,694,112	$ 604,000		$ 53,862,701	173.49%
3Q FFY02	SFY02	4	$ 8,910,356	$ 48,604,468	$ 184,000	$ 3,495,000	$ 54,046,701	174.09%
4Q FFY02	SFY03	1		$ 48,604,468	$ 2,500,000		$ 56,546,701	142.46%
1Q FFY03	SFY03	2		$ 48,604,468	$ 887,000		$ 57,433,701	144.69%
2Q FFY03	SFY03	3	$ 8,805,900	$ 57,410,368	$ 4,703,000		$ 62,136,701	156.54%
3Q FFY03	SFY03	4		$ 57,410,368	$ 1,000,000	$ 9,090,000	$ 63,136,701	129.90%
4Q FFY03	SFY04	1		$ 57,410,368	$ 1,384,000		$ 64,520,701	132.75%
1Q FFY04	SFY04	2		$ 57,410,368	$ 1,229,000		$ 65,749,701	135.28%
2Q FFY04	SFY04	3		$ 57,410,368	$ 3,355,780		$ 69,105,481	120.37%
3Q FFY04	SFY04	4	$ 8,574,713	$ 65,985,081	$ 2,212,000	$ 8,180,780	$ 71,317,481	124.22%
4Q FFY04	SFY05	1		$ 65,985,081	$ 565,000		$ 71,882,481	125.21%
1Q FFY05	SFY05	2		$ 65,985,081	$ (45,000)		$ 71,837,481	125.13%
2Q FFY05	SFY05	3		$ 65,985,081	$ 4,587,000		$ 76,424,481	133.12%
3Q FFY05	SFY05	4	$ -	$ 65,985,081	$ 7,576,000	$ 12,683,000	$ 84,000,481	127.30%
4Q FFY05	SFY06	1		$ 65,985,081	$ 19,032,596		$ 103,033,077	156.15%
1Q FFY06	SFY06	2		$ 65,985,081	$ 179,000		$ 103,212,077	156.42%
2Q FFY06	SFY06	3		$ 65,985,081	$ 638,000		$ 103,850,077	157.38%
3Q FFY06	SFY06	4	$ 12,505,685	$ 78,490,766	$ 5,080,000	$ 24,929,596	$ 108,930,077	165.08%
4Q FFY06	SFY07	1		$ 78,490,766	$ 100,000		$ 109,030,077	165.23%
1Q FFY07	SFY07	2		$ 78,490,766	$ 6,756,000		$ 115,786,077	175.47%
2Q FFY07	SFY07	3		$ 78,490,766	$ 8,557,000		$ 124,343,077	188.44%
3Q FFY07	SFY07	4	$ 8,745,988	$ 87,236,754	$ 1,296,000	$ 16,709,000	$ 125,639,077	160.07%
4Q FFY07	SFY08	1		$ 87,236,754	$ 2,637,000		$ 128,276,077	163.43%
1Q FFY08	SFY08	2		$ 87,236,754	$ 1,456,000		$ 129,732,077	165.28%
2Q FFY08	SFY08	3		$ 87,236,754	$ 6,238,160		$ 135,970,237	173.23%
3Q FFY08	SFY08	4	$ 8,570,640	$ 95,807,394	$ 4,324,000	$ 14,655,160	$ 140,294,237	160.82%
4Q FFY08	SFY09	1		$ 95,807,394	$ 475,000		$ 140,769,237	161.36%
1Q FFY09	SFY09	2		$ 95,807,394	$ 73,800		$ 140,843,037	161.45%
2Q FFY09	SFY09	3		$ 95,807,394	$ 3,808,000		$ 144,651,037	165.81%
3Q FFY09	SFY09	4	$ 3,454,360	$ 99,261,754	$ 8,813,000	$ 13,169,800	$ 153,464,037	160.18%
4Q FFY09	SFY10	1		$ 99,261,754	$ 1,556,000		$ 155,020,037	161.80%
1Q FFY10	SFY10	2		$ 99,261,754	$ 628,000		$ 155,648,037	162.46%
2Q FFY10	SFY10	3		$ 99,261,754	$ 5,019,500		$ 160,667,537	167.70%
3Q FFY10	SFY10	4	$ 8,301,360	$ 107,563,114	$ 4,874,365	$ 12,077,865	$ 165,541,902	166.77%
	TOTALS		$ 107,563,114				$ 165,541,902	
	CUM TOTAL		$ 107,563,114				$ 165,541,902	

EXHIBIT 5: HISTORY OF DWSRF BINDING COMMITMENTS ARRA (CONTINUED)

Federal Fiscal QTR/YR	State Fiscal Year	Qtr	Grant Payments	Cumulative Payments	Binding Commitment	Fiscal Year Binding Commitment	Cumulative Binding Commitment	BC/Payments One Year Earlier
4Q FFY08	SFY09	1	$ 17,577,646	$ 17,577,646			$ -	
1Q FFY09	SFY09	2					$ -	
2Q FFY09	SFY09	3			$ 3,418,000		$ 3,418,000	
3Q FFY09	SFY09	4			$ 1,857,000	$ 5,275,000	$ 5,275,000	
4Q FFY09	SFY10	1			$ 8,159,000		$ 13,434,000	
1Q FFY10	SFY10	2			$ 4,396,246		$ 17,830,246	
2Q FFY10	SFY10	3			$ -		$ 17,830,246	
3Q FFY10	SFY10	4			$ 750,000	$ 13,305,246	$ 18,580,246	
	TOTALS		$ 17,577,646	$ 17,577,646	$ 18,580,246	$ 18,580,246	$ 23,454,611	

EXHIBIT 6: DWSRF PROJECTED BINDING COMMITMENTS FOR SFY 11

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Essex WSD ARRA	Oct-10	$ 250,000
Laurel	Sep-10	$ 376,000
Green Acres WSD	Oct-10	$ 377,000
Harlowton	Nov-10	$ 874,000
Billings Heights WSD	Nov-10	$ 1,100,000
Bozeman	Jan-11	$ 19,000,000
Total		$ 21,977,000

EXHIBIT 7: AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS

Year	Transaction Description	Banked Transfer Ceiling	Transferred from CWSRF to DWSRF	Transferred from DWSRF to CWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1997	DW Grant Award	$4,892,646	---	---	$4,892,646	$4,892,646
1998	DW Grant Award	7,242,675	---	---	7,242,675	7,242,675
1999	DW Grant Award	9,705,729	---	---	9,705,729	9,705,729
2000	DW Grant Award	12,265,539	---	---	12,265,539	12,265,539
2000	Transfer (2nd Rnd $)	12,265,539	4,750,328	-0-	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd $)	14,835,942	4,032,158	-0-	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer (2nd Rnd $)	20,134,608	-0-	2,559,810	26,357,284	13,911,932
2005	Transfer (2nd Rnd $)	20,134,608	-0-	2,570,403	23,786,881	16,482,335
2005	Transfer (2nd Rnd $)	20,134,608	-0-	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer (1st Rnd $)		-0-	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	-	-	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	-	-	28,692,333	33,387,787
2008	Transfer (2nd Rnd $)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award	33,728,240			33,880,513	33,575,967
2009	Transfer (1st Rnd $)			5,000,000	28,880,513	38,575,967
2009	DWGrant Award	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
2010	DW Grant Award	47,330,510			42,482,783	52,178,237
Total			**11,282,486**	**22,130,213**		

EXHIBIT 7A TRANSFER OF FUNDS BETWEEN SRF AND WRF

Authority to Transfer

Award of Water Grant	1996 & 97	$	14,826,200	x33%	$	4,892,646
	1998		7,121,300	x33%		2,350,029
	1999		7,463,800	x33%		2,463,054
	2000		7,757,000	x33%		2,559,810
	2001		7,789,100	x33%		2,570,403
	2002		8,052,500	x33%		2,657,325
	2003		8,004,064	x33%		2,641,341
	2004 & 05		16,588,524	x33%		5,474,213
	2006		8,229,300	x33%		2,715,669
	2007		8,229,000	x33%		2,715,570
	2008		8,146,000	x33%		2,688,180
	ARRA		19,500,000	x33%		6,435,000
	2009		8,146,000	x33%		2,688,180
	2010		13,573,000	x33%		4,479,090
		$	143,425,788		$	47,330,510

Authority Used

Fiscal Year	Type of Funds		SRF to WRF		WRF to SRF
SFY 2000	Recycled	$	4,750,328	$	-
SFY 2001	Recycled		4,032,158		-
SFY 2002			-		-
SFY 2003			-		-
SFY 2004	Recycled		-		2,559,810
SFY 2005	Recycled		-		3,570,403
SFY 2006	Grant		-		5,000,000
SFY 2007			-		-
SFY 2008	Recycled		2,500,000		
SFY 2009	Grant		-		5,000,000
SFY 2010			-		-
		$	11,282,486	$	16,130,213

		SRF		WRF
Authority Available	$	47,330,510	$	47,330,510
Used Authority	$	11,282,486	$	16,130,213
Balance Available	$	36,048,024	$	31,200,297

EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 10

		Set-Aside Components				Total	State
Date	Loans	Admin	Tech Asst	State Program	Local Asst	Drawn	Match
1st Quarter							
07/02/09	98,494					98,494	24,623
7/6/2009	120,890					120,890	
7/8/2009	79,099					79,099	19,775
07/13/09	24,640					24,640	6,160
07/16/09	250,102					250,102	62,526
07/20/09	307,338					307,338	
07/23/09	467,916					467,916	116,979
07/24/09	103,166					103,166	25,792
08/03/09		28,000		7,600		35,600	
08/04/09				70,000		70,000	
08/10/09	522,102					522,102	130,525
08/10/09	853,866					853,866	
08/12/09	628,236					628,236	
08/13/10	5,284					5,284	1,321
08/14/10	359,038					359,038	
08/17/09	31,058					31,058	7,763
08/17/09			3,800	41,600		45,400	
08/21/09	8,750					8,750	
08/27/10		29,700		5,000		34,700	
08/27/10				44,600		44,600	
08/28/10		740		2,260		3,000	
08/28/09		700		1,000		1,700	
08/31/09	31,225					31,225	
08/31/09			1,500			1,500	
09/01/09	222,145					222,145	55,536
09/08/09				24,050		24,050	
09/08/09		15,462		1,318		16,780	
09/09/09	54,729					54,729	
09/11/09		3,900		-1,200		2,700	
09/11/09			-1,500	9,200		7,700	
09/15/09	81,602					81,602	
09/18/09	233,130					233,130	58,283
09/18/09	70,571					70,571	
09/23/09		14,500		1,500		16,000	
09/23/09			100	17,000		17,100	
09/28/09	50,580					50,580	
09/28/09	38,514					38,514	9,628
09/29/09	481,124					481,124	120,281
1st Quarter Draws	$ 5,123,599	$ 93,002	$ 3,900	$ 223,928	$ -	$ 5,444,429	$ 639,192

EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 10 (CONTINUED)

Date	Loans	Set-Aside Components				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
2nd Quarter							
10/1/2009	280,835					280,835	
10/1/2009	271,938	42,500		12,200	6,300	332,938	67,984
10/5/2009	73,666					73,666	18,417
10/7/2009		21,000		3,000		24,000	
10/7/2009		5,500	1,200	30,500	2,100	39,300	
10/8/2009	209,839					209,839	
10/9/2009	41,507					41,507	
10/13/2009	80,444					80,444	
10/14/2009	368,976					368,976	
10/15/2009				600		600	
10/15/2009		2,000	16,500	5,700	600	24,800	
10/16/2009	23,612					23,612	
10/20/2009	77,502					77,502	
10/21/2009	8,680	18,300				26,980	
10/21/2009		9,000		19,985	7,000	35,985	
10/22/2009	183,679					183,679	
10/26/2009	40,385					40,385	
10/26/2009	442,926	40,000	5,500	25,600		514,026	110,731
10/27/2009	463,581					463,581	
10/30/2009	25,194	11,000		1,000		37,194	6,298
11/2/2009	609,713					609,713	
11/3/2009		16,198		8,280		24,478	
11/3/2009		17,035	140	28,600	665	46,440	
11/4/2009	2,000					2,000	501
11/6/2009	529,153	13,100				542,253	132,288
11/9/2009	210,935					210,935	
11/10/2009	7,874					7,874	
11/13/2009				10,000		10,000	
11/18/2009	247,060	22,500		-7,000		262,560	
11/18/2009		16,000		26,000	9,500	51,500	
11/20/2009	10,311					10,311	
11/25/2009	77,046					77,046	19,261
12/2/2009		11,500				11,500	
12/3/2009		9,500		-1,600	8,100	16,000	
12/4/2009	202,914					202,914	
12/7/2009	9,623					9,623	
12/8/2009	148,669	6,000				154,669	
12/8/2009		5,500		9,500	2,500	17,500	
12/9/2009	486,488					486,488	
12/15/2009	268,184					268,184	
12/17/2009		18,000				18,000	
12/17/2009		17,000	500	27,100	8,000	52,600	
12/21/2009		9,000	8,400	6,300	-10,500	13,200	
12/30/2009		300	14,000	34,700	13,000	62,000	
12/30/2009		17,500				17,500	
12/7/2009						0	
12/8/2009						0	
2nd Quarter Draws	**$ 5,402,734**	**$ 328,433**	**$ 46,240**	**$ 240,465**	**$ 47,265**	**$ 6,065,137**	**$ 355,480**

EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 10 (CONTINUED)

		Set-Aside Components				Total	State
Date	Loans	Admin	Tech Asst	State Program	Local Asst	Drawn	Match
3rd Quarter							
1/4/2010	167,962					167,962	
1/5/2010	2,446					2,446	611
1/7/2010	245,632					245,632	
1/12/2010	57,618					57,618	
1/13/2010	1,238	16,000		100		17,338	
1/13/2010		14,000	4,000	45,000	7,000	70,000	
1/14/2010	85,422					85,422	
1/15/2010	121,829					121,829	
1/21/2010	188,738					188,738	
1/22/2010	24,815					24,815	
1/22/2010		6,500	700	10,200	-500	16,900	
1/25/2010	63,911					63,911	
1/26/2010	192,886					192,886	
01/28/10		17,200		100		17,300	
01/28/10		12,500		20,000	1,500	34,000	
01/29/10	76,592					76,592	
02/01/10	49,204					49,204	
02/04/10	2,200					2,200	
02/05/10	1,182	2,700	600	7,300	900	12,682	296
02/05/10		3,800				3,800	
02/10/10	22,189					22,189	5,547
02/11/10		19,000		400		19,400	
02/11/10		14,000		25,500	2,000	41,500	
02/17/10	18,810					18,810	1,005
02/18/10	2,553,937					2,553,937	638,483
02/23/10	64,522					64,522	
02/25/10		18,900		1,000		19,900	
02/25/10		10,000	100	24,300	5,000	39,400	
02/26/10			15,100	7,000		22,100	
02/26/10	45,485					45,485	
03/02/10	16,106					16,106	
03/02/10	165,894					165,894	41,473
03/05/10	11,977					11,977	
03/10/10		17,000		200		17,200	
03/10/10		33,500	-2,000	8,500	-10,000	30,000	
03/15/10	22,566					22,566	
03/18/10	94,104					94,104	
03/22/10	90,665					90,665	
03/24/10		-34,000	500	54,000	20,000	40,500	
03/24/10	19,649	10,000		1,400		31,049	
03/29/10	532,807					532,807	
3rd Quarter Draws	$ 4,940,386	$ 161,100	$ 19,000	$ 205,000	$ 25,900	$ 5,351,386	$ 687,415

EXHIBIT 8: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 10 (CONTINUED)

		Set-Aside Components				Total	State
Date	Loans	Admin	Tech Asst	State Program	Local Asst	Drawn	Match
4th Quarter							
04/01/10	405,383					405,383	
04/06/10	241,111					241,111	
04/07/10		4,500	5,000	28,700	3,000	41,200	
04/08/10	107,958					107,958	26,989
04/13/10	66,101					66,101	
04/19/10	126,670					126,670	
04/20/10	55,129					55,129	
04/21/10	2,640					2,640	
04/23/10		3,000		2,500		5,500	
04/23/10		9,000	11,000	35,200	2,500	57,700	
04/26/10	7,750					7,750	1,938
04/30/10	40,394					40,394	
05/04/10		16,800		2,000		18,800	
05/04/10		28,000		18,900	-3,000	43,900	
05/06/10	16,822					16,822	4,206
05/07/10	32,438					32,438	8,109
05/07/10	45,462					45,462	
05/14/10	121,245					121,245	
05/17/10	117,383					117,383	
05/19/10	101,085					101,085	
05/21/10	186,434	11,000		1,500		198,934	
05/21/10				37,100		37,100	
05/24/10	476,930					476,930	
05/27/10	289,423					289,423	
06/02/10		10,800		100		10,900	
06/02/10		5,900		50,000		55,900	
06/03/10	136,832					136,832	34,208
06/03/10	200,206					200,206	
06/04/10	303,357					303,357	
06/09/10	32,502					32,502	
06/09/10	273,024					273,024	68,255
06/10/10	9,561					9,561	2,390
06/10/10	102,303					102,303	
06/11/10	406,296					406,296	
06/14/10	804,211					804,211	
06/14/10	58,367					58,367	14,592
06/17/10		15,000	12,000	15,000		42,000	
06/17/10		34,000		500		34,500	
06/28/10		8,700		300		9,000	
06/28/10		1,100	11,000	22,900		35,000	
4th Quarter Draws	**$ 4,767,017**	**$ 147,800**	**$ 39,000**	**$ 214,700**	**$ 2,500**	**$ 5,171,017**	**$ 160,687**
Total FY10 Draws	**$ 20,233,736**	**$ 730,335**	**$ 108,140**	**$ 884,093**	**$ 75,665**	**$ 22,031,969**	**$ 1,842,774**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10

Program Name: FS998850 - 97	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	593,048	593,048	-	-
Technical Assistance	296,524	296,524	-	-
State Programs				
Public Water Supply Administration	120,000	120,000	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	55,000	55,000	-	-
Subtotal	*325,000*	*325,000*	-	-
Local Assistance	1,482,620	1,482,620	-	-
Loans	12,129,008	12,129,008	-	-
Total	**14,826,200**	**14,826,200**	**-**	**-**

Program Name: FS998850 - 98	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	284,852	284,852	-	-
Technical Assistance	142,426	142,426	-	-
State Programs				
Public Water Supply Administration	155,470	155,470	-	-
Source Water Protection/Database	105,000	105,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*340,470*	*340,470*	-	-
Loans	6,353,552	6,353,552	-	-
Total	**7,121,300**	**7,121,300**	**-**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 99	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	298,552	298,552	-	-
Technical Assistance	149,276	149,276	-	-
State Programs				
Public Water Supply Administration	154,800	154,800	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*334,800*	*334,800*	-	-
Loans	6,681,172	6,681,172	-	-
Total	**7,463,800**	**7,463,800**	**-**	**-**

Program Name: FS998850 - 00	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	310,280	310,280	-	-
State Programs				
Public Water Supply Administration	155,000	155,000	-	-
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*350,000*	*350,000*	-	-
Loans	7,096,720	7,096,720	-	-
Total	**7,757,000**	**7,757,000**	**-**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 01	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	311,564	311,564	-	-
State Programs				
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Subtotal	*125,000*	*125,000*	-	-
Loans	7,352,536	7,352,536	-	-
Total	**7,789,100**	**7,789,100**	**-**	**-**

Program Name: FS998850 - 02	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	322,100	322,100	-	-
State Programs				
Public Water Supply Administration	395,000	395,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*535,000*	*535,000*	-	-
Loans	7,195,400	7,195,400	-	-
Total	**8,052,500**	**8,052,500**	**-**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 03	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	320,164	320,164	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Public Water Supply Administration	395,000	395,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*585,000*	*585,000*	-	-
Loans	6,973,900	6,973,900	-	-
Total	**8,004,064**	**8,004,064**	**-**	**-**

Program Name: FS998850 - 04	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	332,124	332,124	-	-
Technical Assistance	135,000	135,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	82,000	82,000	-	-
Public Water Supply Administration	160,000	160,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*432,000*	*432,000*	-	-
Local Assistance	40,000	40,000	-	-
Total	**939,124**	**939,124**	**-**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 05	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	331,420	331,420	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	75,000	75,000	-	-
Public Water Supply Administration	630,000	630,000	-	-
Operator Certification	160,000	160,000	-	-
Subtotal	*965,000*	*965,000*	-	-
Local Assistance	40,000	40,000	-	-
Loans	9,187,980	9,187,980	-	-
Total	**10,649,400**	**10,649,400**	**-**	**-**

Program Name: FS998850 - 06	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	329,172	329,172		-
Technical Assistance	20,000	20,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	50,000	50,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	30,000	30,000		-
Subtotal	*730,000*	*730,000*	-	-
Local Assistance	50,000	50,000	-	-
Loans	7,100,128	7,100,128		-
Total	**8,229,300**	**8,229,300**	**-**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 07	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	329,160	329,160		-
Technical Assistance	95,000	95,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	80,000	80,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	60,000	60,000		-
Subtotal	*790,000*	*790,000*	-	-
Local Assistance	90,000	90,000		-
Loans	6,924,840	4,728,498	2,196,342	-
Total	**8,229,000**	**6,032,658**	**2,196,342**	**-**

Program Name: FS998850 - 08	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	325,840	325,100	740	-
Technical Assistance	90,000	79,200	10,800	-
State Programs				
Source Water Protection/Database	99,600	88,085	11,515	-
Capacity Development	75,000	75,000		-
Public Water Supply Administration	550,000	337,604	212,396	-
Operator Certification	90,000	77,216	12,784	-
Subtotal	*814,600*	*577,905*	*236,695*	-
Local Assistance	90,400	90,400		-
Loans	1,825,160		1,825,160	-
Total	**3,146,000**	**1,072,605**	**2,073,395**	**-**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: FS998850 - 09	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	325,840	-	320,135	5,705
Technical Assistance	125,000	-	97,340	27,660
State Programs				
Source Water Protection/Database	100,000	-	92,894	7,106
Capacity Development	78,000	-	68,912	9,088
Public Water Supply Administration	665,000	-	366,709	298,291
Operator Certification	90,000	-	88,686	1,314
Subtotal	*933,000*	-	*617,200*	*315,800*
Local Assistance	90,000	-	75,665	14,335
Loans	6,672,160	-	3,366,605	3,305,555
Total	**8,146,000**	**-**	**4,476,945**	**3,669,055**

Program Name: FS998850 - 10	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	542,920	-		542,920
Technical Assistance	211,000	-		211,000
State Programs				
Source Water Protection/Database	140,000	-		140,000
Capacity Development	82,000	-		82,000
Public Water Supply Administration	700,000	-		700,000
Operator Certification	120,000	-		120,000
Subtotal	*1,042,000*	-	-	*1,042,000*
Local Assistance	130,000	-		130,000
Loans	11,647,080	-		11,647,080
Total	**13,573,000**	**-**	**-**	**13,573,000**

EXHIBIT 9: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 10 (CONTINUED)

Program Name: 2F978792-01 ARRA	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	780,000		409,460	370,540
Technical Assistance	-			-
State Programs				
Source Water Protection/Database	-			-
Capacity Development	-			-
Public Water Supply Administration	100,354	7,600	30,198	62,556
Operator Certification	-			-
Subtotal	*100,354*	*7,600*	*30,198*	*62,556*
Local Assistance	-			-
Loans	18,619,646	98,167	12,845,629	5,675,850
Total	**19,500,000**	**105,767**	**13,285,287**	**6,108,946**

Program Name: Total All Grants	Budget	Previous Draws	SFY 10 Draws	Balance 6/30/2010
Administration	5,737,036	4,087,536	730,335	919,165
Technical Assistance	1,514,226	1,167,426	108,140	238,660
State Programs				
Public Water Supply Administration	5,280,624	3,610,474	609,303	1,060,847
Source Water Protection/Database	1,294,600	1,043,085	104,409	147,106
Capacity Development	742,000	582,000	68,912	91,088
Operator Certification	1,085,000	862,216	101,470	121,314
Subtotal	*8,402,224*	*6,097,775*	*884,093*	*1,420,356*
Local Assistance	2,013,020	1,793,020	75,665	144,335
Loans	104,112,202	74,897,061	20,233,736	20,628,485
Total	**121,778,708**	**88,042,818**	**22,031,969**	**23,351,001**

EXHIBIT 10: SET ASIDES 1 TO 1 MATCH FUNDING SUMMARY

		FUND SOURCES		
State FYE 93		**FEDERAL**	**STATE MATCH**	**STATE EXCESS**
Activity	**R/C**			
Public Water Supply Program	2511/2512	738,559	246,186	
Drinking Water Fees	2512			203,526
Subdivisions	2515			173,061
Subdivision Supplemental	2518			101,731
Board Cert for W&WW Operators	2516			57,085
	TOTAL FY 93	**738,559**	**246,186**	**535,404**

		FUND SOURCES		
State FYE 10		**FEDERAL**	**STATE Match**	**STATE Match**
Activity	**Org Unit**	**PPG Grant**	**PPG Grant-25%**	**for SRF Grant**
Public Water Supply Program - 02204	120520, 302832, 545811	1,320,500	440,167	
Subdivision Fees - 02418	120520,302827,546115 - 546141			798,592
Drinking Water Fees - 02204	545812, 545819			(12,797)
Board Cert for W&WW Operators - 02420	545916			114,240
	TOTAL FY 09	**1,320,500**	**440,167**	**900,035**

Exhibit 11: DWSRF Loans – MBE/WBE For Contracts Awarded During SFY 10								
FFY Qtr/Yr	**SFY Qtr/Yr**	**Borrower**	**Loan No.**	**Bid Amount**	**Loan Amount**	**DBE Type**	**DBE Amount**	**DBE Percent #**
04/09	01/10	Laurel	10-188/210	$1,060,875	$820,000	WBE	$2,467	0.2%
		Helena (ARRA)	10-171A/172B	$1,775,763	$750,000	MBE	$10,000	0.6%
				$1,775,763	$750,000	WBE	$52,000	2.9%
		Chester (ARRA)	10-164A/165B	$354,840	$448,000	WBE	$354,840	100%
		Msla Co. Lewis/Clark (ARRA)	10-156A/157B	$309,240	$482,700	WBE	$309,240	100%
01/10	02/10	Columbus (ARRA)	10-141A/142B	$75,500	$750,000	WBE	$27,590	36.5%
		Fort Benton (ARRA)	10-189A/190B	$395,970	$631,000	WBE	$11,410	2.9%
02/10	03/10	Cut Bank (ARRA)	10-162A/163B	$1,248,725	$750,000	WBE	$1,248,725	100%
		ULRR3 (ARRA)	10-193A/194B	$724,630	$500,000	MBE	$4,875	0.7%
03/10	04/10	N/A						

Appendix A: SFY10 Cash Flow Model

Appendix B: SFY10 Financial Statements Unaudited with Footnotes

Appendix C: SFY10 Intended Use Plan

Appendix D: Intended Use Plan for American Recovery and Reinvestment Act of 2009

Appendix E: Map of Projects & List